

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: North Adams Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 20, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.40% to 7.25% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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North Adams Retirement System
January 1, 2019 Actuarial Valuation

Total appropriation increasing 4.9% until FY28 with final amortization payment in FY29

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2020	1,206,354	60,000	2,002,176	13,341	73,620	3,355,490	19,209,654	
2021	1,260,639	60,000	2,108,830	13,875	76,564	3,519,909	18,361,755	4.9%
2022	1,317,368	60,000	2,220,960	14,430	79,627	3,692,385	17,334,266	4.9%
2023	1,376,650	60,000	2,338,843	15,007	82,812	3,873,311	16,108,145	4.9%
2024	1,438,599	60,000	2,462,773	15,607	86,125	4,063,104	14,662,666	4.9%
2025	1,503,336	60,000	2,593,059	16,231	89,570	4,262,196	12,975,278	4.9%
2026	1,570,986	60,000	2,730,024	16,881	93,152	4,471,043	11,021,459	4.9%
2027	1,641,680	60,000	2,874,010	17,556	96,879	4,690,124	8,774,554	4.9%
2028	1,715,556	60,000	3,025,373	18,258	100,754	4,919,941	6,205,603	4.9%
2029	1,792,756	60,000	3,159,384	18,988	104,784	5,135,913	3,283,156	4.4%
2030	1,873,430	60,000				1,933,430	0	-62.4%

All amounts assume payments will be made July 1 of each fiscal year.

Normal cost includes expenses of \$335,000 and is assumed to increase 4.5% each year.

FY20 appropriation maintained at the same level as the current schedule.